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FARM WAGE STABILIZATION IN

THE PACIFIC STATES

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BEGINNINGS

War Brings Wage Controls

When regulation of wages became necessary to the wartime program, agricultural wages were looked upon as a special case. Thus, when wage controls were inaugurated as a war measure in October 1942, the powers for farm wage controls delegated to the Secretary of Agriculture were not used. This was primarily because it was generally felt that as farm labor was paid so much less than industrial labor, any attempt at "freezing" based on then "going" rates would be extremely discriminatory against agriculture in the labor market.

But as the war went on, this condition altered materially and rapidly. Farm laborers became more and more difficult to find, and agricultural wage rates mounted progressively as workers exercised choices between agriculture and war industry. Farm wage controls were first applied in California at the request of certain groups of growers in the State. Later, farm wages came to be more generally considered appropriate for control, as indicated in the following statement of policy made by M. C. Wilson, Deputy Director of Extension in Charge of Farm Labor Programs, and Brigadier General Philip G. Bruton, Director of Labor War Food Administration.

"Wage stabilization is of interest to farmers from two points of view, first as a means of preventing inflation; second, as a means of helping to stabilize the conditions of labor supply.

"1. From the first point of view, farm wage stabilization is a means of preventing increases in wages likely to lead to such increases of labor costs as would endanger the stability of prices.

"2. From the second point of view, wage stabilization assists in the control of farm wage rates, in relation to industrial wage rates, so as to prevent undesirable shifting of manpower from agriculture to industry or vice versa.

"3. Wage stabilization also is a means of preventing 'wage spiralling' due to competition between farmers for labor. The ban upon wage increases tends

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to prevent the 'pirating' of labor by one farmer from another, also the constant shifting of personnel among the labor force on the farm and the consequent loss of working time." ^{1/}

In rejecting general "freezing" of all farm wages prevailing on a specified date as an alternative for specific wage ceilings, General Bruton and Mr. Wilson, in the same statement, made the following observations.

"Farm wage stabilization might have been conceived in terms of a 'freezing' of all farm wages prevailing on a specified date, subsequently permitting desirable changes from that level. This is the method used by the War Labor Board in connection with industrial wages. This method, when successful, has the very desirable characteristic of avoiding administration of the stabilization level.

"This 'freeze' method, however, is not suitable for farm wage stabilization because (1) farm employment is not sufficiently standardized and uniform for the wage rates of a given date to be of specific validity. Farm employment is very scattered and employment contracts are very informal, (2) at any given date, many seasonal tasks are not in operation; therefore, these tasks would lack a stabilization base.

"For these reasons, wage stabilization in agriculture requires the determination of a specific level of wages, and provision for adjustment to meet special conditions.

"Wage determinations by the Administrator must be such as to facilitate the obtaining of sufficient labor for the operations in question, yet such as not to be inflationary, or in excess of the growers' capacity to pay." ^{2/}

The First Specific Wage Ceiling

The first request for a specific agricultural wage ceiling came from the Sacramento Delta area of California where Filipino asparagus cutters had a degree of organization quite unusual among agricultural workers. They had applied continuing pressure for higher wage rates to a point where growers protested they could not afford to harvest their crops. A representative of the growers' association placed the situation before the Secretary of Agriculture with a request that specific ceiling wages be established for the various asparagus harvest operations. The Secretary acted affirmatively and assigned ceiling determination and administration to the California Wage Board, an agency already engaged in determination of "going wage" rates to be paid imported Mexican nationals.

^{1/} Quoted by William H. Metzler, in Two Years of Wage Stabilization in California, from Office of Labor Memorandum No. 25, Washington, D. C., Jan. 26, 1944.

^{2/} Ibid, p. 9.

This Board, April 13, 1943, announced the first agricultural ceiling wage rates to go into effect in the United States. They covered asparagus harvesting in San Joaquin, Yolo, Sacramento, Solano and Contra Costa Counties. ^{3/}

After a period of indecision, during which it was unclear whether or not cutters would work at the rates specified and whether or not growers would abide by the ceilings, acceptance became fairly general, and nearly all beds, excepting the more marginal, were harvested.

Where Wage Stabilization Developed

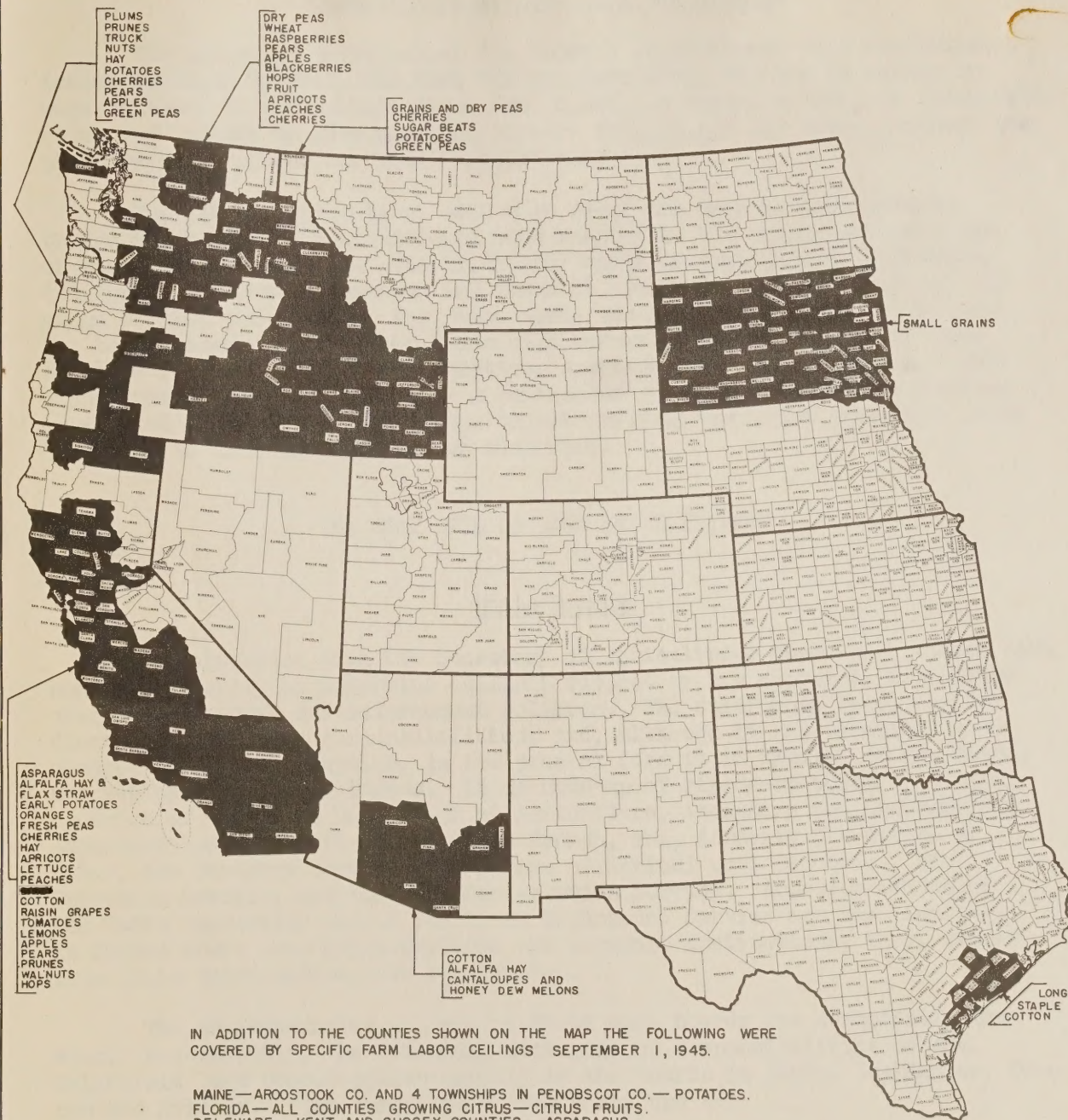
The rather startling effectiveness of this program in rolling back and quite generally keeping wages in restraint started wartime wage stabilization on its way. By September 1, 1945, one or more programs of specific wage ceilings were in effect in 42 counties in Idaho, 18 counties in Washington, 12 counties in Oregon, 42 in California and 6 in Arizona. ^{4/} Although wage stabilization machinery was available throughout the nation, roughly two-thirds of the crop area under specific ceilings in the United States was in these 5 western States. More recently, 3 additional Oregon counties have received coverage as have several cotton, broomcorn and potato producing areas in various parts of the nation. Also, more crops have been added in a number of counties where programs were already in operation.

Almost without exception, places where specific wage ceilings have been requested and established have certain characteristics in common. They are areas with high production of specialized crops or areas in direct labor competition with such areas. Again, in the Pacific States at least, first requests for ceilings have come from growers of such crops requiring large amounts of labor, particularly for harvesting, such as potatoes and fruits in the Northwest, canning tomatoes, fruits, citrus and cotton in California and Arizona. A relatively high degree of dependence on migratory labor is also a common characteristic. In places where more general farming is the usual pattern, but where considerable acreages of specialized crops are also grown, it is the operators who produce special crops who appear most disposed to request wage ceilings. The newly established hop picking ceilings in Polk and Marion Counties, Oregon appear to be examples of such tendencies. Competing users of agricultural labor may be expected to seek ceilings also, once the initiative is taken by the specialty growers. This may possibly account for ceilings in such relatively nonspecialized work as haying in places where specialty crops compete for labor.

^{3/} This order provided the following maximum wage rates: \$2.75 per cwt. No. 1 cannery white, cut and sledding; \$0.40 per cwt. No. 1 cannery white, washing, racking, boxing; \$3.25 per cwt. No. 1 cannery green, cut and sledding; \$0.55 per cwt. No. 1 cannery green, racking and boxing.

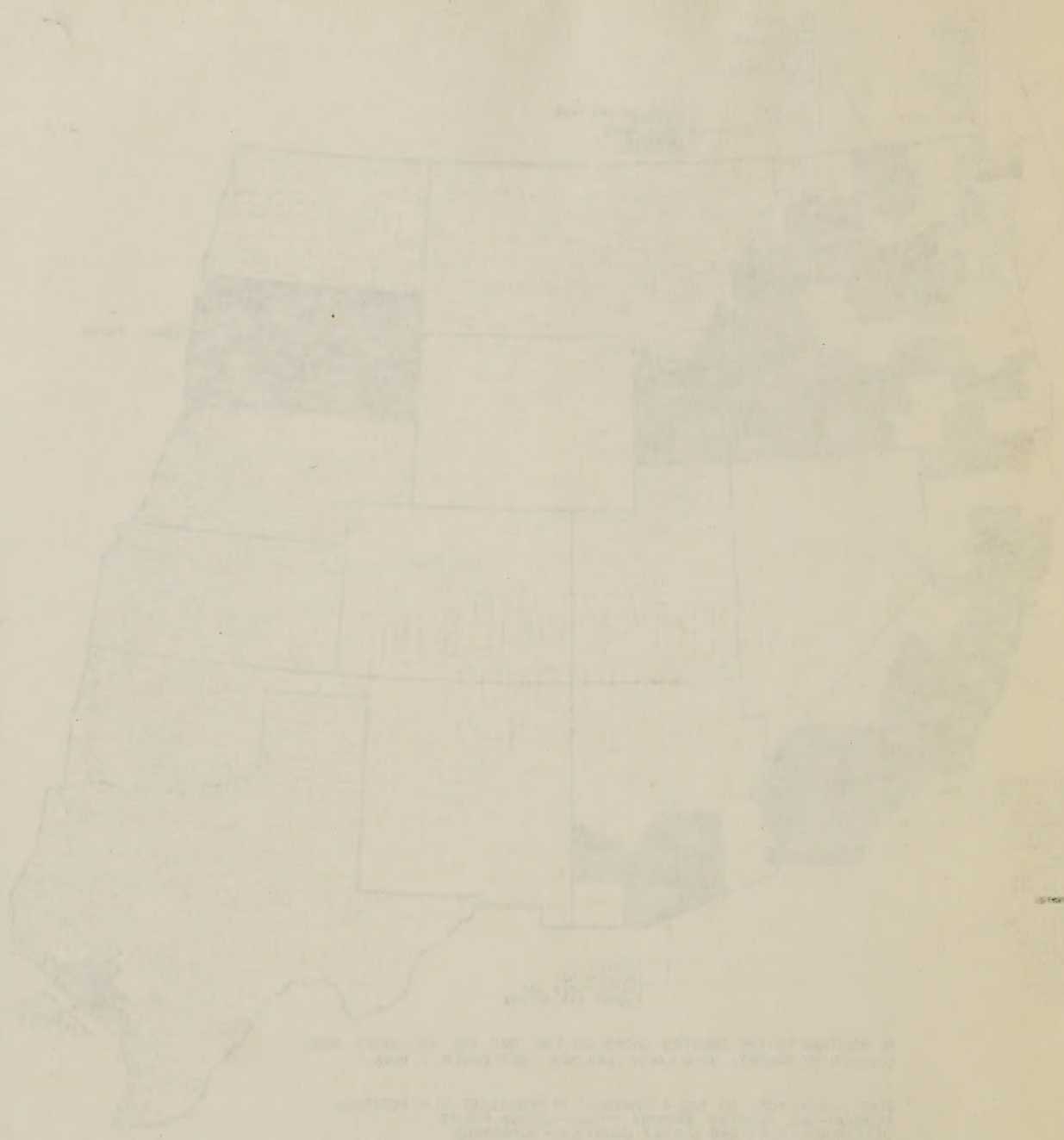
^{4/} See map on following page. It should be noted that often not all areas producing a product are covered by ceilings. Thus citrus fruits, for example, were not covered in such major production areas as Orange or Los Angeles County, nor were potatoes originally covered in Ada County, Idaho. Such exceptions are common.

ALL COUNTIES IN THE UNITED STATES COVERED BY SPECIFIC FARM WAGE CEILINGS, SEPTEMBER 1, 1945



SOURCE: WAGE CEILING REGULATION APPLIED TO AGRICULTURAL LABOR,
BUREAU OF AGRICULTURAL ECONOMICS, U.S.D.A. WASHINGTON, D.C. 1945.

0 50 100 150 200 250 300 MILES



UNITED STATES DEPARTMENT OF THE INTERIOR
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General Agricultural Wage Regulations

The essential provision of the general agricultural wage regulation issued December 9, 1943, was that "no increase shall be made in salary or wage payments in agriculture which are \$2,400 per annum or more, or which will raise such salary or wage payments to more than \$2,400 per annum, without the prior approval of the War Food Administrator." 5/

Through interpretation, this wage order has come to mean certain things which have been significant with respect to the subsequent workings of wage ceiling programs. The \$2,400 per annum is interpreted in Florida, California, Oregon, Washington and Texas to mean "at the rate of \$2,400 per annum or \$200 per month." For piece work, the equivalent of \$200 per month has been determined as a rate which will permit an average worker to earn 85 cents an hour. Under the directive, operators who were paying at a rate higher than \$2,400 per annum for a particular job were entitled to continue payment at such higher rates, even though entirely different personnel might from time to time be employed for such work.

THE MECHANICS OF WAGE STABILIZATION

State Boards

By delegation from the Secretary of Agriculture, State Wage Boards have had the authority to determine ceilings subject to his approval, administer programs and carry out enforcement policies. The California Board was the first to assume such responsibilities, and, although it has undergone some changes since its inception, in its present form it is typical of the Boards now set up in 23 other States. It is made up of representatives of several agencies of the U. S. Department of Agriculture, including the Agricultural Adjustment Administration, the Labor Branch, PMA, formerly the Office of Labor, the Forestry Service, the Bureau of Agricultural Economics, the Extension Service, and the Soil Conservation Service. Representatives of the State University and of the U. S. Employment Service are also members. In States where Land Grant Colleges are separate institutions, they, rather than State Universities, are represented.

The administrative spheres of State wage boards are essentially the same. Consequently, the following statement of responsibilities of the California Wage Board applies equally to the Boards in Idaho, Washington, Oregon and Arizona. "The functions of the Board are to:

- (1) Ascertain when the demand for a wage ceiling or supplement is strong enough that one should be established.

5/ From the Directive of Dec. 9, 1943, issued by Fred M. Vinson, Economic Stabilization Director, Federal Register Document 43-19692.

- (2) Determine which operations should be covered by a wage ceiling and the specific ceiling rate for each.
- (3) Establish general policies for instituting, administering and enforcing such ceilings.
- (4) Hold hearings to ascertain the facts of the situation in cases of persons accused of violating the ceilings." ^{6/}

To administer this program, State Executive Officers and field staffs have been employed by the Labor Branch, PMA, to work within the States.

Certain methods of procedure were developed. When growers of a particular crop in a particular area indicated an interest in ceilings, an open informational meeting was called in some central place to acquaint growers with wage ceiling operations and to determine how extensive the demand for wage stabilization was. If, in the judgment of the Board, interest was genuine and widespread, the next step was a formal hearing at which growers and workers were asked to testify as to approval or disapproval of a ceiling, operations to be covered and specific maximum rates.

The Wage Board, after satisfying itself as to sentiment for a ceiling, then determined the exact rates to be applied. In arriving at such decisions, it was intended that not only testimony at the hearings but other pertinent facts should be considered by the Board. The schedule of rates decided upon was formerly sent to the War Food Administrator and more recently to the Director, Labor Branch, PMA, in Washington, D. C. After final approval, the wage order was issued from whichever of these offices was responsible at the time and the ceiling became effective.

This procedure has remained essentially the same up to the present except for the following modifications. From July 1, 1944 to July 1, 1945, a request signed by a majority of producers affected was required before a ceiling would be set up. Since the latter date, a majority of producers attending a hearing or participating in a referendum has been required.

How the Programs Have Been Administered

The State Executive Officer operates under the authority of the State Wage Board and is responsible to it for the holding of informational meetings and wage hearings, the appointment and direction of the field staff which handles local details of wage ceiling administration, and decisions on requests to pay adjusted rates under both specific ceilings and the general wage regulation.

Administration within the counties and areas has assumed diverse forms. In some of the earlier programs, particularly in California, the U. S. Department of Agriculture County War Boards were given primary

^{6/} Metzler, William H., Two Years of Farm Wage Stabilization in California, p. 27, Bureau of Agricultural Economics, Washington, D. C., April, 1946.

responsibility. More recently, the trend has been toward county committees, variously composed. It was planned that such committees should include representatives of both growers and labor and perhaps the general public as well, but only rarely have the groups actually set up been so inclusive. In a few cases in California labor has been represented, and labor members have participated in wage adjustment and enforcement activities, but the more usual pattern has been a committee made up almost exclusively of growers.

Somewhat diverse, also, have been the methods used in the handling of wage adjustments. The usual method has been for growers who have felt that, because of light yield, field conditions, weather, possible spoilage or other reason, they should be allowed to pay more than ceiling rates or wages above the general regulation, to call upon the county committee for an adjustment. In different counties, field investigations have been made by committee members, or by a team of grower and labor members of the committee, or by a committeeman and a paid adjuster or by a salaried adjuster only.

Speed in adjustment, lest a crew be dispersed or a crop allowed to spoil, has been an important consideration. Common procedure has been to allow whoever makes the inspection to say provisionally what the adjustment will be and to let the grower begin payment of the adjusted wage immediately. Policy as to adjustment has been widely different between various programs, and in some cases, from time to time, within the same program. The results of some of these differences will be examined in a later section of this report.

How Violators May Be Handled

Violators of both specific and general farm wage rate regulations are subject to two kinds of penalties. One can be applied without a court trial. When a State Board, together with Solicitors of the U. S. Department of Agriculture, find at a public hearing that a grower has been guilty of a violation, this, together with supporting evidence, is submitted to the Secretary of Agriculture, who has the authority to request the Commissioner of Internal Revenue not to allow the grower income tax deductions for wages paid for work in the conduct of which the wage violations were committed. The second penalty can be invoked by a criminal court on both growers and workers who have violated a ceiling order. It consists of a fine of not more than \$1,000, or imprisonment for not more than one year, or both.

HOW WAGE STABILIZATION HAS WORKED

Has It Achieved Its Major Objectives?

The purposes of wage stabilization, as set forth in an official statement of policy, may be briefly paraphrased as: 7/

7/ Office of Labor Memorandum No. 25, Washington, D. C., Jan. 26, 1944.

1. Prevent the inflationary effect of further wage increases.
2. Prevent undesirable shifting of farm labor to industry and vice versa.
3. Prevent wage rate "spiralling" due to competition among farmers
4. Prevent working time losses due to constant shifting in search of more advantageous wage rates.

Thus, the objectives of the programs are restrictive--as any probable alternatives to meet the productive necessities of a nation at war would have been. What, if anything, has been learned from wartime experience which might be applicable to farm labor policy in the future? What have been some of the accomplishments of wage stabilization? Some of its failures? How do many of those most directly affected regard it?

On these and similar questions, some light should be thrown by individual studies made of several programs in California and by field observations made on grower and worker attitudes toward wage ceilings in selected areas of Oregon, Washington, California and Idaho. ^{8/}

Wage stabilization has, broadly speaking, attained most of its major wartime objectives. Farm wage rates have not "spiralled" to the heights they presumably might have achieved had there been no controls. According to the testimony of farmers in Idaho, Oregon and California, it has reduced both "shopping around" by workers and "pirating" by farmers.

Said an extremely large-scale wheat grower, "If you tell a man that you're paying him all the law will allow you or anyone else to pay, he's discouraged from looking around so much." It was a fruit picker's opinion that, "if you know the only higher rates are paid because picking is poor, there ain't no call to go charging around trying to get big money picking. It's best to keep plugging along; you'll make more money that way." ^{9/}

Under the programs it has been possible to obtain essential labor without excessive labor costs. This is exemplified by the success of the first program--that for asparagus in California. Again, a large potato grower in Idaho said "We never could have afforded to get the spuds out without the ceilings."

^{8/} Supplementing the field work done by the authors, interviews were conducted by Olaf F. Larson and Walter C. McKain, Jr. of the Bureau of Agricultural Economics.

^{9/} These, and other statements made by persons affected by the ceilings, as they will appear throughout this section of the report, have been selected as in some degree typical of various reactions encountered. They must be considered as illustrative only, and not as necessarily representing any consensus.

The adjustment provisions have acted in the general direction of rational distribution of farm labor; very few growers have suffered substantial losses because of inability to secure necessary labor. A small fruit grower said, "He couldn't have gotten along without it. The little fellow has to have some protection from the big boys. They have the money, and, if it wasn't for these ceilings, they would openly go out and bid up all the pickers, and fellows like me could watch their fruit fall on the ground." In the same area, a large-scale operator remarked, "You know these small growers get panicky. If there were no ceilings, they'd pay almost any price these days to get their fruit off first. With the kind of a market we've had the past few years, the fellow with a few acres figures getting the fruit off right now is worth almost anything he has to pay. I'm for these ceilings. They're the only reason we're getting our Newtowns picked this season."

The above are among the known accomplishments of the wage stabilization program in agriculture, but there is considerable reason to doubt that it has been particularly effective in preventing shifting between agriculture and industry. An executive of an agricultural processing industry had this to say: "The whole Government policy has been wrong. First the U. S. Employment Service comes into the picture and practically forces all our experienced farm workers into war industry or the Army. Then they insist they've got to have bigger crops than ever before. And what do we have left to produce it with? 'Four-F's', 'Winos', and kids! I don't know how the growers have done it, but they have..."

Is Democratic Representation a Reality?

Considerable care was exercised in planning techniques for administration of farm wage ceilings to provide for proper representation and consideration of the interests of all growers and workers affected by ceilings. This was one reason for the provision of informational meetings and public hearings. Democratic processes were to prevail with ample opportunities for all to express their points of view and to work openly for their own interests.

The results of this planning, in practice, have been widely different, but, almost uniformly, they have not provided full hearings for all interests having stakes in the programs. Perhaps the most nearly universal defect has been inadequate representation of labor. With a few exceptions, as the asparagus cutters of the Sacramento Delta and the dairy workers of the Los Angeles milkshed, farm labor concerned is almost totally unorganized; it has few recognized spokesmen. Again, a high percentage of the workers affected are migratory and, more often than not, were not even in the area when a wage ceiling hearing was held. As an Office of Labor employee put it, "Of course we didn't have labor representation that amounted to anything. How could we? Most of the people who come in here were 500 to 1,000 miles away when the hearing was called." Frequently no one representing labor appeared at all.

Often, too, there appears to have been a heavier representation of the interests of large, dominant growers, as against smaller operators, both

owners and tenants. In some California counties, it was reported that care was taken that the viewpoints of the dominant group of growers were presented to the virtual exclusion of all others. Again, in one county, the list of growers giving testimony showed high correspondence with the membership of a committee which for several years had engaged in setting harvest rates and attempting to persuade other growers to adhere to them. One small grower in this county remarked, "They've been trying to shove their ideas of what I should pay down my throat for years, and now they've got the Government back of them."

The position frequently taken by such groups is that, as they represent the major producing units in the area, they should know best what is in the interests of all growers. However, the community of interests between large and small operators is often less than complete, and frequently small operators consider different labor and wage policies as being more appropriate for them.

Are Wage Ceilings Always Based On Adequate Knowledge?

Perhaps one of the more telling objections which have been raised against public hearings is that they set the stage for the application of pressure, by growers, or less frequently, by labor groups. This has been alleged to outweigh such advantages as the publicity which hearings receive and the public support which they may engender.

The setting of wage ceilings is a technical problem of no little complexity. If adequately done, it should involve the weighing of such factors as: (1) the competitive labor situation within agriculture, (2) the competitive labor situation as between agriculture and industry, (3) the volume of labor needed, (4) special skills required, (5) relationships of wages to prices, (6) the urgency of the operation, (7) customary wage rates, and (8) sources and kinds of labor supply. The gathering and evaluation of such data is a task for trained research personnel, who should not be subject to pressures of interested groups or individuals.

There is little evidence that sufficient objective study actually has gone into the formulation of most ceiling programs. In a large proportion of all cases, scales recommended by already-organized committees have been accepted and, with little or no change, put into effect as wage ceilings. This is true despite the obvious improbability of such committees having gone through the laborious business of considering and weighing all of the factors which should enter into any ceiling determination. One effect of this practice has been that ceiling programs have frequently been introduced piecemeal, with too little regard for the interrelations of wages in different phases of agriculture and in industry.

How Adjustments Have Been Made

A key point in the entire wage stabilization plan is the effectiveness with which the adjustment mechanism functions. In theory, at least, all inequities which might arise could be righted through adjustment.

One method frequently used is having grower members of the county adjustment committee go into the fields of farmers requesting adjustments, appraise the situation as they see it and report back their findings. Often, such investigators are authorized to state what the probable adjustment will be, thus enabling farmers to begin paying the adjusted scale pending final decision. Results of this method have varied from very good to very poor.

Unfavorable results have come about either when members of adjustment boards have been grimly adamant against any adjustments at all, or when they have granted all requests for adjustments without discrimination. Either extreme will destroy the confidence of farmers in the stabilization mechanism. Careful judgment is essential if adjusters are to find and adhere to the line of demarcation, shifting and often difficult to detect, between too harsh hewing to the mark and overly-generous dispensation of adjustments.

In some few California programs, workers and growers have made adjustments working in teams. Often, the intimate knowledge workers have of the difficulties that certain field conditions may introduce into an operation has been a factor in arriving at equitable wage adjustment decisions. The establishment of such a procedure could be brought about only as the result of careful educational work by Wage Branch field representatives with both growers and workers, as was the case in these California cases.

The salaried adjuster, either accompanied by committee members or working alone and making his recommendations to the committee, appears to offer certain advantages. In the first place, if the adjuster is well chosen as to competence and familiarity with the crop, growers are likely to have increased confidence and satisfaction. To illustrate, in a Northwest fruit county in 1944, there had been considerable dissatisfaction with the adjustments made by an outsider. In 1945, however, with the appointment of a man who had himself been an orchardist for 35 years, and in whom the growers had great confidence, satisfaction with the fairness of adjustments granted was widely voiced among the operators.

Further, as the salaried adjuster goes through the season from one phase of the harvest to another, he develops a body of experience which should give his decisions unified and coordinated character, making for advantageous distribution of the available labor force.

The height of the ceilings related to the abundance or scarcity of labor for the particular crop, will have a decided effect upon the amount and character of adjustment necessary to complete the harvest. If ceilings are somewhat high in the presence of a relatively plentiful supply of workers, adjustments probably will not be needed except in a few relatively marginal cases where crops are unusually poor, fields exceptionally weedy or orchards abnormally high or brushy. The ordinary farmer will have little difficulty in getting his operation completed at the ceiling rate, and those growers having superior harvest conditions may succeed in getting their work done at less than ceiling wages. That this is possible, despite the often-voiced belief that ceilings automatically become "going wages", was demonstrated by the sugar beet growers in one Northwest county, who completed their harvest at wage levels very little above minimums set under the provisions of the Sugar Act, and

substantially below the specific ceiling. Potato growers in the same county insisted that this was made possible because of the high wages paid for potato work. Workers, they said, attracted to the area by the favorable earnings possible in the potato harvest, remained and completed the sugar beet season as well, before leaving the district.

If ceilings, on the other hand, are set low in relation to labor supply, adjustments will be numerous, and control over wage spirals will become tenuous and insecure. Many ceiling violations were reported from areas under programs where such relationships were found to prevail.

How the General Wage Regulation Has Functioned

The role of the General Agricultural Wage Regulation has been subject to rather widespread misunderstanding. This has been responsible for a considerable amount of resentment and violation. Several factors, both in administration and in the characteristics of the order itself, appear to have played parts in the development of this situation.

Up to the present, no satisfactory determination has been made as to coverage under it. Many farmers express doubts as to whether swamper, loaders, tractor drivers, platform men and others working on the borderlines between fields and factories should be considered agricultural or industrial workers. Lack of clarification of this question brought forth much criticism, both from growers and from workers.

Despite the probable greater flexibility of the general farm wage regulation as compared with specific ceilings, numerous operators and some laborers complained of what they considered to be the rigidity of the general regulation. Growers told of skilled workers lost to industry. One worker asked, "Why, after I've worked for the boss 17 seasons, can't I be paid more than he pays green high school kids who don't know the first thing in an orchard? I know the boss would like to, but I know that he can't."

There is considerable evidence that even in counties where understanding of specific ceiling orders was widespread, much less was known about the general regulation. In general, there appeared to be less understanding of the possibility of adjustments under the regulation than under specific ceilings. This lack of information, in part at least, stems from the fact that most specific ceilings, resulting from the requests of growers themselves, have been discussed and mulled over at length among them. On the other hand, the general regulation, not based on local demand, receives far less attention and becomes the educational responsibility of the small, over-burdened professional staffs of Labor Branch employees. 10/

In one county, adjacent to a major industrial and shipbuilding center, the belief was expressed that enforcement of the general regulation would

10/ Effective July 1, 1945, responsibility for the education of growers and workers as to both specific and general agricultural wage regulations was assumed by the Extension Service. In Oregon this was done by formal agreement between the Office of Labor and Extension.

result only in the loss of virtually all agricultural labor and serve only to increase the difficulties with which farmers already were burdened. As a result, no efforts originating within the county were made to acquaint farmers with wage stabilization requirements.

The problems presented by perpetuation or creation of wage differentials under the general regulation have remained perplexing. In some cases, wage rates differing by as much as 40 cents per hour for the same operation have resulted. The clause permitting growers to continue payment of rates which they were paying in 1943, even though those rates were in excess of those allowable under the general regulation has contributed considerably to the complexity of the situation. Many such discrepancies have been met by the development of specific wage ceilings. Again, by the end of 1944, requests for adjustments under the general regulation involving more than 15,000 workers had been granted in California alone. Yet numerous discrepancies still exist.

The question of relating specific ceilings, particularly for piece work, to the general regulation also has had some bothersome aspects. In areas where the general wage regulation has been interpreted to mean earnings of 85 cents an hour for piece workers, piece rates under specific ceilings allow average earnings of approximately \$1 per hour. It is argued, and probably with considerable justification, that a strict equalization of average earnings with the regulation would remove much of the incentive characteristic of piece rates and might reduce both labor supply and labor output. Perhaps, rather than equalization, what is needed is a more careful scaling of incentives to difficulties of work and recognition of operational skills.

Effect of Enforcement Policies

Program violations and enforcement policies were of considerable interest, particularly to farmers operating under specific ceilings. Even under those programs which actually were operating smoothly and effectively, rumors of violations were rife. Alleged violators, for the most part, were not named nor specific cases given. In other areas where programs were not functioning well estimates of violations ran as high as 90 percent of all operators involved.

Various kinds of violations were mentioned. Paying workers for fruit or vegetables not picked, underestimating potato yields to justify paying higher picking rates, off-the-record payments to labor contractors, cash payments for fictitious travel to the job, provision of perquisites not allowable under particular ceilings, permitting yearly employees to use land and machinery belonging to the employer to plant and harvest crops for themselves; all of these were among the many evasive practices described.

Many farmers who held favorable opinions of wage stabilization and its objectives still felt that programs were weakened when no evidence of intention to enforce the ceilings was apparent. "The Government can put teeth in this business; that's the only way it will work." Again, "The Government has kept us fairly well in line on this ceiling deal, but it's the only thing I know of that could do it." Such feelings were frequently expressed. If some

reasonable show of enforcement were not made, many farmers said, growers would soon begin to overstep, and the ceilings would become as futile as earlier attempts at maintaining "going wage" scales without Government participation had usually proven themselves. Such opinions were encountered particularly in potato, wheat and fruit areas.

On the other hand, in some areas where violation hearings had been held, there was some evidence of a "jittery" reaction. The grounds on which some actions were filed were felt to be too technical. Fears were expressed that operators entirely without intentions of violation might inadvertently find themselves liable to penalties.

Several growers suggested that the proper course in enforcement was not harsh "police" action, but counselling and advice designed to help those who were unsure of their ground to determine what should and could be done within regulations to secure essential workers and retain them. Such a course, it was maintained, would rapidly overcome farmer antagonism and reduce violations to a minimum.

Administratively, court action proved mainly unworkable. While growers were rather free with vague rumors about evasion and violation, when it came to the point of giving evidence against their neighbors, they were understandably reticent. Further, with both operators and workers liable under the law, testimony of one against the other could not be secured.

Actions taken, consequently, were under the hearing procedure without recourse to the courts. Here the penalty was refusal to allow operators to claim as expenses for purposes of income-tax deduction any money paid as wages for operations in the course of which ceiling violations occurred. This penalty was applied in a number of cases, and seems usually to have had at least the effect of subduing gossip about violations.

How Well Was Wage Stabilization Understood?

Understanding of agricultural wage stabilization varied, of course, from area to area, and was closely related to the thoroughness with which organizational and educational functions had been carried out. Where growers had generally participated in the formulation of specific ceilings, those ceilings were widely understood among the farmers. Where hearings had not been held within the counties or where only the general regulation was in effect, the level of understanding was markedly lower. In some counties where no local efforts had been made to explain the regulations, understanding among the farmers was extremely hazy and inaccurate, and violations were frequent.

Efforts to inform workers adequately about how ceilings worked and the reasons for their existence were rare. Even in areas where farmers were relatively well informed, the usual procedure was to furnish the worker with nothing more than either an oral or a written statement as to the ceiling rates. Workers interviewed often expressed curiosity as to the reasons for ceilings, and some growers criticized the administration of the program because explanations to the workers were left to farmers who often had only sketchy information themselves.

Indicative of the incompleteness of understanding of the program was the fact that practically no farmers or others interviewed mentioned the anti-inflationary aspects of wage stabilization. That such an influence was an objective had never been brought effectively to their attention and played no discernible role in the formation of their attitudes.

General Considerations

Something concerning workers' reactions to wage ceilings was learned in field interviews, although in some of the northern areas timing of the study made adequate numbers of interviews with workers impossible. On the whole, workers knew much less about ceilings and the reasons for them than did employers. Also, worker opinions tended to be quite consistently unfavorable. Many looked upon the whole program as a conspiracy to deny the worker his share of wartime income. "We're against anything that keeps us from earning all the farmer could pay us if he was left alone."

In a few cases in California, workers with some degree of union organization and some knowledge of the make-up of State Boards and county committees, condemned the programs as representing only the interests of operators and not those of labor. In support of this contention, they cited the representation of agricultural agencies on the Board, maintaining that it was composed largely of people whose life work had been in the service of the operators. This, it was insisted, was not democracy in any broad sense.

On the other hand, many growers were chary about furnishing what they considered to be too much information about ceilings to workers lest such knowledge might become a focal point about which farm labor organization might occur. This anxiety was apparent in a number of interviews with fruit growers in the Northwest. There is no known case in which organization actually resulted from such understanding.

Some workers felt that a wage ceiling without a corresponding floor was unfair. It resulted, they argued, in protection to the grower but none to labor. Some few operators mentioned floors as a probable development if controls were maintained until a time when labor was more plentiful. Such an addition, they thought, would be desirable only if it were accompanied by price supports or guarantees.

Growers and workers both exhibited considerable awareness of the growing importance of perquisites, such as housing, fuel, water and other items, as weighty factors in maintaining a crew or in taking a particular job. Seldom, however, were such things mentioned as desirable elements in wage stabilization programs. Most farmers thought of these as problems for individual, community, or at most, county solution. Workers tended to look upon perquisites merely as elements which affected the attractiveness of job offers.

In those areas where attitudes toward continuation of wage stabilization in agriculture were investigated, there was a generally favorable reaction, but with a number of distinct reservations. While few favored unlimited extension, many thought that wartime crops could not have been harvested without them and, of these, a substantial proportion believed that they should be

extended until such time as the labor supply became more "normal." Some expressed concern over rigidity and what would happen to farmers should prices drop after wages had become stabilized for a particular harvest season. This consideration resulted in a negative reaction from one large operator who commented, "We would lose our shirts then; I'm against them."

The attitudes of farmers toward the general regulation appeared to be less favorable than toward specific ceilings. Objections to it seemed to result from lack of understanding, hazy conceptions of coverage and feelings that it placed agriculture at a competitive disadvantage with industry.

MEANINGS FOR THE FUTURE

Undoubtedly, during wartime farm wage stabilization was one of the essential controls. But as a long-run governmental activity it requires further examination.

It is probable that the complaints against stabilization voiced by labor groups in California had some validity in certain cases. The programs as they now operate frequently appear to work in the interests of the grower and not in those of the worker. To promote wartime production and economic equilibrium, they probably could not have functioned otherwise.

Even during that emergency period, however, it has been apparent that wage stabilization no doubt has been susceptible to certain pressures, but such a fault, almost inevitable in a hurriedly devised war program, does not necessarily mean that there is no place for agricultural wage stabilization as a continuing function of government. It does mean, however, that any future program should be so designed as to operate impartially for the benefit of agricultural employers and workers alike, and for the general economic and social interests of the nation.

Farm wage stabilization can play a beneficial role only if it is a working part of a comprehensive system of stabilizing influences designed to bolster and sustain the interlocking, interacting processes of our complex economic order. Functioning outside such a framework, it would serve only to aggravate the difficulties characteristic of agriculture in times of economic and social stress.

But, even if such a prerequisite governmental stabilizing system were in operation, farm wage stabilization would require extensive revamping and reorientation. Ceilings without floors are not enough. In the long run, a program designed to promote a healthy, functioning economic order would undoubtedly need to supply wage floors as well as wage ceilings. Remedies to correct deflation and sagging production and consumption are vastly different from those needed to counteract inflation. Perhaps what should emerge in the future might be the determination of base wage rates with flexibility both upward and downward possible through appropriate adjustment. This would appear to meet the frequently-encountered fears of too much rigidity in the programs.

With all of these prerequisites assumed, what are the most important lessons which experience with the present ceiling programs has to offer? At least these:

1. Means should be devised so that all persons involved in farm wage transactions would be represented and informed adequately at each stage of the program from inception through administration. Only in this way can democratic, impartial operation be approximated.
2. General regulations as well as specific programs should always be subject to this democratic method of procedure.
3. Wage scales, ceiling or floor, should be based upon adequate research into all the social and economic circumstances having a reasonably direct bearing on what would be a fair, effective and properly competitive wage range.
4. Effective enforcement - enforcement emphasizing instruction, assistance and cooperation, but enforcement having "teeth" when they are needed, should be considered a planning and administrative essential in setting up any future mechanism for agricultural wage stabilization.

